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Ssshhhh... patently, an inventor's at work

By Glenn Mulcaster

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The Government is funding a series of events it calls the national innovation festival, starting this week, to promote clever organisations and entrepreneurs. Yet Australia's most inventive company, Silverbrook Research, will not feature.

Chest beating is not its style. This low-profile company in Balmain, Sydney, designs machines such as tiny ink-jet printers to fit inside mobile phones.

Last year, Silverbrook filed more patent applications in Australia than any other organisation - a greater number than pharmaceutical companies that routinely share top rankings.

Malcolm Royal, president of the Institute of Patent and Trademark Attorneys, says this was possibly a first for an Australian inventor.

The Commonwealth Patents Office, now called IP Australia, marked its centenary earlier this year by publishing a book of predictable praise for iconic inventions such as Vegemite, the Victa lawnmower and the Hills Hoist.

The secretive Silverbrook and its company founder Kia Silverbrook do not yearn for brand recognition or commercial appeal. Instead, Silverbrook has sought protection for its intellectual property, so it can sell rights to inventions on a global market.

Janet Werner is acting deputy director-general of corporate strategy for IP Australia. She says this path of innovation was practised by companies such as Sydney's Bishop Steering Technology and was a valid business strategy. She says Bishop inventions are included in about 20 per cent of all motor vehicles worldwide.

Werner says companies that file patent applications do not necessarily proceed with all of them.

"It is only once patents are granted that they can enforce them."

Kia Silverbrook is described by a former boss as an "ideas man" who has learnt to protect those ideas with patents. Kim Ryrie, the co-founder of audio electronics researcher Fairlight Instruments, says Silverbrook's private research took off in the 1980s.

"(Silverbrook) was always incredibly bright and full of ideas," Ryrie says. "At Fairlight, Kia asked if he could spend some of his own time in our facilities to work on new products."

Ryrie says one result was the Kaleidopen, a low-cost artistic toy that used a light pen to draw on a TV screen. He says it was ahead of its time.

"Fairlight could not afford to develop it further into a product, so we asked Kia if we could use some of the core technology in other products," Ryrie says.

This led to a digital video effects controller that became the Computer Video Instrument, or CVI. Ryrie says Fairlight sold thousands of them.

Silverbrook left Fairlight, located investors and further refined his animation and digital video ideas through a new company called Integrated Arts Ltd, which floated on the Australian Stock Exchange's second board shortly before the stockmarket crash of October 1989. The timing was dreadful. The company was sold off and its research teams split up and sold to Rank-

Cintel in Europe and Canon Australia, the local arm of the Japanese camera maker.

Thomas Wedderburn-Bisshop, one of the Integrated Arts directors, says Kia Silverbrook is a genius who is able to charm the people around him.

"He's charismatic and very good at getting his ideas across and convincing other people that they are good ideas," Wedderburn-Bisshop says. "But I wouldn't say he had practical business skills in following through to develop products out of these ideas."

Kia Silverbrook was appointed head of research at the newly formed Canon Information Systems Research Australia (CISRA) in 1990, where he stayed for four years before setting up Silverbrook Research.

Wedderburn-Bisshop says Canon had deeper pockets than Integrated Arts.

"Canon would have put him (Kia) in a padded room and called him an idea server," he says. However, he says Kia Silverbrook sometimes does not know when to stop inventing.

"At Integrated Arts, he kept coming up with new ideas and as founder of the company, we kept incorporating them into a product we were working on."

Eventually, the research team produced a working prototype of a multi-function device that won acclaim but was never commercialised because the development time had been too slow, hampered by all the extra features.

CISRA remains a successful research outfit in Sydney, working on software and products for Canon worldwide. It has more than 200 engineers and scientists, plus a further 50 support staff.

Dr Phil Robertson, director and general manager of solutions at CISRA, says all of its patents relate to real products in the pipeline within Canon, including software applications for Canon's digital cameras.

He says that compared to the Australian Government's Commonwealth Scientific Industrial Research Organisation (CSIRO), with thousands of scientists and engineers on its payroll, CISRA was punching above its weight in registering patents to protect its intellectual property locally and overseas.

Silverbrook also makes the CSIRO look like a laggard in patent rankings in real numbers. Last year, Silverbrook filed 154 patent applications in Australia to CSIRO's 52.

The Intellectual Property Research Institute of Australia (IPRIA) omitted Silverbrook from its annual R&D and Intellectual Property Scoreboard issued last year because it is not regarded as a company that brings any of its products to market and its licensing revenue is unknown.

Which is just how Silverbrook likes it. Silverbrook's chief operating officer, Dilip Khatri, declined to answer questions about the company's head count, business model and inventions, pointing out that information about much of its work was already in the public domain.

Kia Silverbrook also refused requests for interviews.

Patents issued to Silverbrook can be scrutinised by anybody who wants to examine the IP Australia database, the United States Patent and Trademark Office, or the Delphion database set up by IBM.

USPTO figures show that in 2002, Silverbrook was granted 121 patents in the US, the same number as soap maker Colgate-Palmolive, taking it into the top 150 companies seeking protection for inventions under US law.

Former Integrated Arts engineer Craig Southeren, who spent a year working for Rank-Cintel in Europe after IA was disbanded, says his former colleagues now at Silverbrook remain vigilant about company privacy.

"There's quite a few guys I worked with before who are there now and it is very secretive," Southeren says. "It is part of the

Silverbrook culture."

Silverbrook has faced three attempts to wind up the company by creditors in the past three years.

A Sydney travel agency, an electronics firm in Perth and a multinational recruitment company sought to recover money from Silverbrook and took action in the NSW Supreme Court.

Silverbrook used a Jetset agency in Balmain to arrange frequent travel to Washington DC to file patents, it hired permanent and temporary staff through headhunting firm Robert Half and contracted Perth's SMR Electronics for design work.

SMR's Mike Reynolds says he cannot elaborate about the contracts because SMR signed non-disclosure agreements.

"What I can say is they are an exciting company, doing exciting work," Reynolds says.

He adopts US business terminology in describing Silverbrook as a start-up company in stealth mode, albeit one that has existed for 10 years.

"They are a standout prospect to set up a high technology industry in Australia," Reynolds says. "I wish them well from that point of view."

"I just hope their accounts people get a different religion."

This story was found at: <http://smh.com.au/articles/2004/05/03/1083436532813.html>